BEFORE THE OIL AND GAS CONSERVATION COMMISSION OF THE STATE OF COLORADO

IN THE MATTER OF THE APPLICATION OF RED HAWK PETROLEUM LLC, FOR AN ORDER ALLOWING UP TO SIXTEEN WELLS IN AN ESTABLISHED APPROXIMATE 1,280-ACRE EXPLORATORY DRILLING AND SPACING UNIT FOR THE NIOBRARA FORMATION IN SECTIONS 26 AND 35, TOWNSHIP 8 NORTH, RANGE 62 WEST, 6TH P.M., WATTENBERG FIELD, WELD COUNTY, COLORADO

CAUSE NO.

DOCKET NO.

APPLICATION

RED HAWK PETROLEUM LLC ("Applicant"), by and through its attorneys, Jost & Shelton Energy Group, P.C., respectfully submits this Application to the Oil and Gas Conservation Commission of the State of Colorado (the "Commission") for an order to authorize an additional fifteen (15) wells, for a total of up to sixteen (16) wells, in an established approximate 1,280-acre drilling and spacing unit, for the efficient and economic development of the oil, gas, and associated hydrocarbons from the Niobrara Formation, but only as to the Application Lands defined below:

Township 8 North, Range 62 West, 6th P.M.

Section 26: All Section 35: All

Approximately 1,280 acres, more or less, Weld County, Colorado ("Application Lands").

In support of its Application, Applicant states and alleges as follows:

- 1. Applicant is a corporation duly authorized to conduct business in the State of Colorado and is an operator in good standing with the Commission.
 - 2. Applicant owns substantial leasehold interests in the Application Lands.
- 3. Rule 318.a. specifies that a well drilled two thousand five hundred (2,500) feet or greater shall be located not less than six hundred (600) feet from any lease line. Rule 318.a. applies to the Niobrara Formation underlying the Application Lands.
- 4. Order No. 535-8, entered by the Commission on April 4, 2011 established an approximate 1,280-acre drilling and spacing unit for Sections 26 and 35, Township 8 North, Range 62 West, 6th P.M., and approved one horizontal well within the unit, regardless of lease lines within the unit, for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, with the treated interval of the permitted well to be located no closer than 600 feet from the boundary of the unit and the

perforated lateral to be located no closer than 300 feet from any wellbore which has perforated the Niobrara Formation without exception being granted by the Director of the Commission.

- 5. Order No. 535-136, entered by the Commission on January 23, 2012, pooled all interests in an approximate 1,280-acre drilling and spacing unit established by Order No. 535-8 for Sections 26 and 35, Township 8 North, Range 62 West, 6th P.M for the production of oil, gas and associated hydrocarbons from the Niobrara Formation, effective as of the earlier of the date of the Application, or the date that the costs specified in C.R.S. §34-60-116(7)(b)(II) are first incurred for the drilling of the horizontal well.
- 6. Applicant requests that it be authorized to drill and complete an additional fifteen (15) horizontal wells for a total of sixteen (16) horizontal wells in order to efficiently and economically recover the oil, gas and associated hydrocarbons from the approximate 1,280-acre drilling and spacing unit for Sections 26 and 35, Township 8 North, Range 62 West, 6th P.M, with the surface locations for the wells to be anywhere within the unit but no more than one (1) surface location per quarter-quarter, and with the treated interval of any horizontal wellbore to be no closer than wellbore to be located no closer than 600 feet from the unit boundaries, and no closer than 150 feet from the treated interval of any other wellbore located in the unit, without exception being granted by the Director.
- 7. The Commission records reflect that there are no wells are currently producing from the Application Lands.
- 8. Applicant asserts that the additional wells are necessary to prevent waste, protect correlative rights, and to assure the maximum efficient recovery of oil, gas and associated hydrocarbons from the Niobrara Formation on the Application Lands.
- 9. That the names and addresses of the interested parties, according to the information and belief of the Applicant, are set forth in <u>Exhibit A</u> attached hereto and made a part hereof, and the undersigned certifies that copies of this Application shall be served on each interested party within the next seven days as required by Rule 503.e.

WHEREFORE, Applicant respectfully requests that this matter be set for hearing, that notice be given as required by law and that upon such hearing this Commission enter its order consistent with Applicant's proposals as set forth above.

Dated this ___day of April, 2014.

Respectfully submitted,

RED HAWK PETROLEUM LLC

Bv:

Jamie L. Jost James P. Parrot

Jost & Shelton Energy Group, P.C.

1675 Larimer Street, Suite 420 Denver, Colorado 80202

Denver, Colorado 8020

(720) 379-1812 – Main

(720) 379-1813 – Fax

jjost@jsenergygroup.com jparrot@jsenergygroup.com

Applicant's Address:
Red Hawk Petroleum LLC
4125 Blackhawk Plaza Circle
Suite 201A
Danville, CA 94506

VERIFICATION

Clark R. Moore, of lawful age, being first duly sworn upon oath, deposes and says that he is Executive Vice President of Red Hawk Petroleum LLC and that he has read the foregoing Application and that the matters therein contained are true to the best of his knowledge, information and belief.

Red Hawk Petroleum LLC Executive Vice President

ACKNOWLEDGMENT

State of California

County of Contra Costa

On <u>April 15, 2014</u> before me, <u>Valentina Babichev</u>, <u>Notary Public</u> (insert name and title of the officer) personally appeared <u>Clark R. Moore</u>, who proved to me on the basis of satisfactory evidence to be <u>the person</u> whose <u>name is</u>/subscribed to the within instrument and acknowledged to me that <u>he</u> executed the same in <u>his</u> authorized <u>capacity</u>, and that by <u>his signature</u> on the instrument the <u>person</u>, or the entity upon behalf of which the <u>person</u> acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature /

VALENTINA BABICHEV
COMM. # 1979715
NOTARY PUBLIC + CALIFORNIA
CONTRA COSTA COUNTY
MY COMM. EXP. MAY 28, 2016

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CAUSE NO.

DOCKET NO.

AFFIDAVIT OF MAILING

STATE OF COLORADO

)ss.

CITY AND COUNTY OF DENVER

Jamie L. Jost, of lawful age, and being first duly sworn upon her oath, states and declares:

That she is the attorney for Red Hawk Petroleum LLC, that on or before April 2014, she caused a copy of the attached Application to be deposited in the United States Mail, postage prepaid, addressed to the parties listed on Exhibit A to the Application.

Jamie I Jost

Subscribed and sworn to before me on April 17, 2014.

Witness my hand and official seal.

My commission expires:

Notary Public

DANIELLE E CARROLL Notary Public State of Colorado Notary ID 20134059312 My Commission Expires Sep 18, 2017

Exhibit A Interested Party List ID - Sec 26 & 35 T8NR26W

Jonah Gas, LLC PO Box 50190 Casper, Wyoming 82605

Red Hawk Petroleum LLC 4125 Blackhawk Plaza Circle, Suite 201A Danville, CA 9

EOG Resources, Inc. 600 17th St. Denver, CO 80202

RJ Resources Corp. c/o Platinum Partners Carnegie Hall Tower 152 West 57th Street, 4th Floor New York, NY 10019

Tom Schreiner Energy Liaison Colorado Parks and Wildlife Northeast Regional Office 6060 Broadway Denver, CO 80216

Kent Kuster Colorado Department of Public Health & Environment 4300 Cherry Creek Drive South Denver, CO 80246-1530

Tom Parko Weld County 1555 North 17th Street Greeley, CO 80631